

**Summary of the Minutes
of the 4th Monitoring Committee (MC) Meeting
of the
Interreg V-A Hungary-Croatia Cooperation Programme 2014-2020**

Date: 1 December 2016

Place: Ludbreg, Croatia

Agenda Point 1: Approval of the Agenda, technicalities (MC decision)

Ms Viktória Anna Ratskó-Tóth, representing the Hungarian Prime Minister's Office and the Managing Authority of the Programme, acting as the Chairperson of the Monitoring Committee (MC), welcomed all the participants of the 4th meeting of the MC, thanked the JS for their support in the organisation of the meeting and wished for an efficient and expedient meeting.

The Chairperson proposed an additional Agenda Point, as requested by Mr Zsolt Szokolai, representing the European Commission, dealing with the significance of result orientation during programme implementation and the results of the ex-post evaluation of the 2007-2013 cross-border co-operation programmes carried out by the EC.

Establishing that the quorum for the meeting had been met, the Chairperson put the Agenda to vote. Since there were no objections to the Agenda, it was unanimously accepted.

MC decision: Agenda of the meeting accepted, with the proposed changes included.

Agenda Point 2: Information on the ex-post evaluation of the 2007-2013 cross-border co-operation programmes and discussion on significance of result orientation during programme implementation (EC presentation)

Mr Szokolai gave an overview of the ex-post evaluation of the ETC programmes of the previous programming period, pointing out the conclusions most relevant to the implementation of the new programming period. The criteria used in evaluation were to

an extent not clear, as the ways the ETC programmes are contributing to the Lisbon Treaty have not been clearly defined.

Cross-order co-operation programmes were in general successful in overcoming cultural and distance barriers and contribute to social integration, as well in establishing institutional co-operation. The programmes faced challenges in addressing economic issues and overcoming legal and administrative barriers. Furthermore the benefits were mostly limited to the local level, which correlated with the limited budgets of these programmes. The strategic focus was generally relatively low, programmes rarely embedded in the local strategies and addressed specific territorial needs.

An EC communication is expected in 2017 on how to tackle administrative and legal cross-border obstacles, which cannot be resolved by providing funding but through better governance. Mr Szokolai continued by informing the MC about the official letter sent by the Director of DG Regio to the MA-s of all Interreg programmes, explaining the principle of result orientation during programme implementation. The letter also addresses issues of transparency in the decision-making process, and avoiding conflicts of interest.

The 2014-2020 programming period attempted to make a shift from an output-oriented policy approach to a result-oriented one, with strong focus on defining the right result indicators, being the first step to a more strategically focused programmes. The MC of an Interreg programme has a dual function – it selects the projects, but also is in charge of reviewing the programme’s implementation progress. Result orientation can only be successfully established if a strong link is established between project selection (even for the first Call for Proposals) and the Specific Objectives (SO-s) of the Programme.

In a cumulative case of failure to employ remedy actions and in case of underperformance, the EC may, at the time of the performance review in 2019, be partially or completely suspend underperforming PA-s.

All the potential conflict of interest cases in the MC should be communicated to the MA well in advance. As a general rule, the organisations that have projects applying should refrain from discussing the said Priority Axis (PA). The MA should amend the Rules of Procedure accordingly, if needed, by the next meeting.

Agenda Point 3: Discussion on the state of play and available materials of the ‘Beneficiary Light’ Scheme of Priority Axis 1 **(MC decision)**

The experts working on the elaboration of the scheme, presented the progress made in the development of the Beneficiary Light Scheme, pointing out the most relevant details of the envisaged scheme within PA1 of the Programme. The basic documents governing the scheme (Implementation Manual, Application Form and Communication Plan) were also presented to MC for their approval.

The scheme aims at supporting the SME-s in the programme area, which the MC should make the basic decisions about, including the general direction of the developments, but

it is suggested that a Steering Committee (SC) is established to make all the operative decisions (e.g. development of the implementation package) and to work in close co-operation with the Beneficiaries of the scheme. The reasoning behind this suggestion is that the whole scheme is regarded as a single 'strategic project' within the Programme. In this regard, the MC's role would be monitoring the contribution of the project to the Programme's objectives as a whole, while the project's Beneficiaries themselves would decide on the operative issues, guiding the day-to-day implementation, with the supervision of the SC.

A two-step application procedure is proposed for the 'light' Beneficiaries, with the first round of submission including a very simple form for the submission of the project's basic concept. The applicants would be able to submit project proposals continuously, with evaluation of the projects managed twice a year. After passing this first round, applicants are required to submit a full project via an Application Form (AF), similar to the one used by the Programme for 'regular' projects, and with a fix submission deadline. Both steps in the application process are to be managed online.

Following the presentation of the documents and a discussion, the MC decided on a number of decision points regarding the Priority Axis 1 Beneficiary Light Scheme.

MC decision: The MC agrees to establish a Steering Committee to oversee the implementation of the PA1 Project 'Beneficiary Light Scheme', with the details on the composition and an overview of tasks and responsibilities to be established in a written procedure during the following two weeks.

MC Decision: The MC approves the Implementation Manual, the Application Form and the Communication Plan of the PA1 Project 'Beneficiary Light Scheme', in the form as presented at the meeting with potential minor technical comments to be sent in as comments to the present minutes.

MC Decision: PA1 Project 'Beneficiary Light Scheme' is officially approved by the MC, with the contracting procedure to start as soon as possible.

MC Decision: The MC accepts the work of the external experts performed on the elaboration of the Beneficiary Light Scheme.

<p>Agenda Point 4: Information about the state of play regarding the strategic project 'De-mine HU-HR II'</p>
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The status of the first strategic project of the Programme was presented, pointing out that the contracting finished in June 2016, while the project started with implementation on 1 June 2016. The first reporting period ended on 30 September 2016, with a relatively high reported amount, as almost half of the planned de-mining activities has been performed already. The JS performed a project monitoring visit end of September 2016, when the demining activities were also followed by the Croatian national television and featured in the news bulletins.

The monitoring system of the Programme is as of yet not fully functional, so the reporting of a significant portion of the total expenditure of the project is being managed manually (on paper), as instructed by the MA and as an exception applicable to the first reporting period only. The project-level progress report is to be submitted to the JS soon, also manually, with the Application for Reimbursement and the payment expected by the end of 2016.

The official kick-off conference of the project was held on 24 October 2016 in Belišće, Croatia as part of the European Cooperation Day campaign, with a whole-day event of awareness-raising activities about the danger of mines and about the EU co-operation programmes. The event and its distinguished guests attracted a lot of media attention with local, regional and national media representatives from both sides present.

<p>Agenda Point 5: Information about the current status of the assessment process (HUHR/1601)</p>
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The Head of JS gave a brief overview of the first Call for Proposals of the Programme. Following the preparatory activities, promotion, consultations and submission a total of 208 project proposals have been submitted, by far the most in the HU-HR programmes to date.

Following the submission, the proposals entered the assessment procedure, with the first step, the Formal and Eligibility (FE) check, currently in its final stage, and the Quality Assessment to commence shortly. As a consequence of the FE check 4+64 applications have been found incompliant with the rules and subject to rejection criteria, as many as 7 were found completely compliant, and the rest were sent requests for missing documents.

Due to the large number of cases failing to comply with the rule on the submission of the extract from register in the proper form, and following consultation with the NA, the MA initiated a written procedure of the MC investigating the possibility of granting derogation from the rules of the Guidelines for Applicants (GfA). The MC decided not to grant derogations from the rules, thus the 64 projects to be rejected will be sent notification letters in the following days. Some additional projects are expected to be rejected still, following the unsuccessful completion of documents.

The external quality assessors will be contracted shortly, based on the number of remaining projects per SO / Component and their specific fields of expertise. The quality assessment will be carried out during December and January, with the materials ready for decision of the MC after that period.

The proposal of the amendment of the RoP to conform with the recommendations of the EC regarding the issues related to the conflict of interest situations will be elaborated and prepared before the next MC meeting as well.

Agenda Point 6: Discussion on the Draft Evaluation Plan of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020

The JS presented the Evaluation Plan for the Programme, as sent out to the MC members.

According to the proposed document, the evaluation process is to be very similar to the one from the previous period, with the MA, NA and JS being responsible for the operational management of the evaluation exercise within a working group and with the support of experts. All the outcomes and results will be reported to the MC. The programme implementing bodies, as well as the general public might be involved in the process as well, in the role of relevant stakeholders. The Evaluation Plan will be made public via the Programme's website, just as the interim and final reports.

The exercise is planned in the Technical Assistance budget of the JS, covering the whole programming period. The evaluations are scheduled to follow the programme-level reporting, so as to have relevant data measuring the progress of the implementation of the Programme. The findings of evaluations will be used as a source of inputs for the Annual Implementation Report, to further develop the Programme's structure if necessary, and as a source of recommendations for the future.

Agenda Point 7: Overview of communication activities managed in 2016

The JS reported on the communication activities implemented in 2016. A new procurement is ready for the maintenance of the website, which is going to be managed from the new Programme's financial sources, ensuring smooth further operation of the site. (In June 2016, the Programme website was among the nominees for the best Interreg website award.)

Communication activities relating to the launch of the first Call were very successful, attracting a record number of participants and applications submitted as well. The Programme had three major communication events during the second half of the year – two European Co-operation Day events, organised together with the Croatian embassy in Budapest, and the kick-off event of the strategic project 'De-mine HU-HR II'.

A novelty as of this year are the Programme's social media profiles as a new, direct communication channel with the potential Beneficiaries and the general public. They are receiving more and more attention and have proved to be a valuable communication channel at times when the primary communication channels did not function due to technical problems.

Agenda Point 8: Any other business

The Chairperson announced the provisional date for the next MC meeting to be around 15 February 2017, depending on when the assessment of the projects is completed. The meeting will be in Baranya County, Hungary and at that time the decision is expected to be made on the award of funding to the projects of the first Call for Proposals.

The Chairperson thanked all the participants and adjourned the meeting.